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SERVICE DATE – DECEMBER 21, 2018

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FR-4915-01-P

SURFACE TRANSPORTATION BOARD

[Docket No. FD 36248]

RailUSA, LLC and American Rail Partners, LLC—Continuance in Control Exemption—
Florida Gulf & Atlantic Railroad, LLC

RailUSA, LLC (RailUSA) and American Rail Partners, LLC (ARP), each a noncarrier, have filed a verified notice of exemption pursuant to 49 C.F.R. § 1180.2(d)(2) to continue in control of Florida Gulf & Atlantic Railroad, LLC (FGA), upon FGA's becoming a Class III rail carrier. FGA is a newly formed noncarrier entity that is wholly owned by RailUSA. RailUSA, in turn, is wholly owned by ARP. Thus, RailUSA directly controls FGA, and ARP indirectly controls FGA.

This transaction is related to a concurrently filed verified notice of exemption in Florida Gulf & Atlantic Railroad—Acquisition & Operation Exemption With Interchange Commitment—CSX Transportation, Inc., Docket No. FD 36247. In that proceeding, FGA seeks an exemption under 49 C.F.R. § 1150.31 to acquire and operate approximately 373 miles of rail line in Florida and Georgia currently owned and operated by CSX Transportation, Inc., consisting of the following: (1) the Tallahassee Subdivision between Baldwin, Fla., at or near CSXT milepost SP 653.3, and Chattahoochee, Fla., at or near CSXT milepost SP 842.5; (2) the P&A Subdivision between Chattahoochee, at or near CSXT milepost 00K810.7, and Pensacola, Fla., at or near CSXT milepost 00K651.0;

and (3) portions of the Bainbridge Subdivision between Tallahassee, Fla., at or near CSXT milepost SLC 52.0, and Attapulgus, Ga., at or near CSXT milepost SLC 79.0.

The earliest this transaction may be consummated is January 6, 2019, the effective date of the exemption (30 days after the verified notice was filed).

RailUSA and ARP currently control one rail carrier, Grenada Railroad, LLC (GRR), a Class III carrier that leases and operates on lines in Mississippi and Tennessee. RailUSA and ARP represent that: (1) the lines to be acquired and operated by FGA do not connect with the GRR lines; (2) the continuance in control is not part of a series of anticipated transactions that would connect any rail line to be operated by FGA with any GRR rail line; and (3) the transaction does not involve a Class I rail carrier. Therefore, the proposed transaction is exempt from the prior approval requirements of 49 U.S.C. § 11323. See 49 C.F.R. § 1180.2(d)(2).

Under 49 U.S.C. § 10502(g), the Board may not use its exemption authority to relieve a rail carrier of its statutory obligation to protect the interests of its employees. Section 11326(c), however, does not provide for labor protection for transactions under §§ 11324 and 11325 that involve only Class III rail carriers. Accordingly, the Board may not impose labor protective conditions here, because only Class III carriers are involved.

If the notice contains false or misleading information, the exemption is void ab initio. Petitions to revoke the exemption under 49 U.S.C. § 10502(d) may be filed at any time. The filing of a petition to revoke will not automatically stay the effectiveness of the

exemption. Petitions to stay must be filed no later than December 28, 2018 (at least seven days before the exemption becomes effective).

An original and 10 copies of all pleadings, referring to Docket No. FD 36248, must be filed with the Surface Transportation Board, 395 E Street, S.W., Washington, DC 20423-0001. In addition, a copy of each pleading must be served on Peter W. Denton, Steptoe & Johnson LLP, 1330 Connecticut Ave., N.W., Washington, DC 20036.

Board decisions and notices are available on our website at www.stb.gov.

Decided: December 14, 2018.

By the Board, Scott M. Zimmerman, Acting Director, Office of Proceedings.